MEMORANDUM

From June 14 thru 28, 1975, Pauli Isenring, Donald Hoel, and Patrick Sirridge visited certain representatives of the European cigarette industry, scientific experts, Philip Morris Europe executives and officers, and attorneys for Philip Morris. This memorandum is a summation of the various meetings and discussions which occurred during this period.

June 16, 1975 - Finland

We met with members of the Finnish industry at the Hesperia Hotel in Helsinki. The following persons attended the meeting: Dr. F. Seehofer, E. Salo, and P. Rahi (BAT); R. Back (Rettig and Shengberg); M. Santala, O. Rahola (Amer-Tupakka); R. Lintuniemi (Secretary of Tobacco Association); J. Gronlund, S. Odman (PME). Christian Reims, Philip Morris lawyer, did not attend the morning meeting but arrived for the discussions which continued into the early afternoon.

The main topic of the meeting was the proposed tobacco law in Finland. In that the present government in Finland is "non-political" due to upcoming elections, the proposed law is expected to "stand still" until next October. Those at the meeting also hoped that new elections would result in the appointment of a less antagonistic Minister of Health and Social Affairs.

We were informed that the proposed law is quite expansive and seeks to transfer the "marketing jurisdiction" of cigarettes from the Minister of Trade to the Minister of Health and Social Affairs. The most critical aspect of this change would be the ability of the Ministry of Health and Social Affairs to issue marketing licenses based upon limits of "tar" and nicotine. Christian Reims, however, pointed out that there is presently a conflict between the Ministry of Trade and the Ministry of Health and Social Affairs. Apparently, the Ministry of Trade wishes to retain the responsibility of licensing tobacco products and has pointed out that the Ministry of Health is not equipped to handle the marketing aspects of tobacco products. Among other

things, the Ministry of Trade has emphasized the duplication of laboratory facilities which would be involved in the transfer of responsibility to another governmental department.

We were advised by Christian Reims that the tobacco law will be returned to the Ministry of Health and Social Affairs for a "rework" after the new elections. Mr. Santala said that the industry had originally made comments to the Ministry of Health on April 10, 1975 but that this submission did not include a discussion on the smoking and health issue. He suggested that work begin immediately on a second, more thorough submission with a completion date in September. We distributed copies of a draft scientific paper prepared by our office which emphasized Scandinavian sources, especially those related to Finland. It was our understanding that the draft smoking and health paper would be included in the materials considered for the second industry submission.

Paul Isenring passed out copies of the PME Fxecutive Report to the group. Mr. Salo, deputy managing director of BAT in Finland, endorsed the idea and noted the need to provide employees with objective information. He said that all the negative publicity about smoking might succeed in convincing employees that they are making a "bad product." Paul Isenring added that great care must be taken in the preparation of such publications to insure the accurate and objective presentation of information.

A substantial portion of the meeting was also used to answer smoking and health questions which were directed to Mr. Hoel by the Secretary of the Association, R. Lintuniemi. Based on the contents of the questions, it appeared that the secretary had either been asked the questions in the past or anticipated being asked similar questions in the future. The group appeared greatly interested in the discussion as evidenced by the taking of notes and the vocal approval of the information contained in Mr. Hoel's answers

We were informed of later developments concerning the Finland situation by Sten Odman when we were in Stockholm. He said the second ranking official of ATO plans to meet with the Minister of Trade, an old friend. The ATO executive will attempt to renew old agreements between the government and industry by formulating a new 10 year agreement. Although

this new voluntary agreement would contain some restrictions which have not been officially agreed upon by the industry, it would not significantly differ from present industry practice. The significance of this renewal would be to demonstrate close cooperation with the government and to negate the need for legislation in the tobacco area. It is felt that an agreement signed with the Minister of Trade would indicate to Parliament that it is this department rather than the Ministry of Health and Social Affairs which properly has jurisdiction over cigarettes.

The following day, June 17, we were scheduled to meet with Professor Saxen of the University of Helsinki. Unfortunately, a conflict prevented Professor Saxen from attending the meeting and we met instead with his colleague, Dr. Hakama. Don Hoel inquired as to their recent work on occupational hazards and we were told that nothing of significance had been done. Dr. Hakama had collaborated on one study involving asbestos workers and had recently finished another small study on tobacco and glass workers. Neither study found significant differences between the disease rates of workers and those of the general population. However, the smoking asbestos workers seemed to have an increase in lung cancer deaths. These reports are "confidential" at the present time but if this designation changes, he will send us a copy of each. Dr. Hakama noted that further occupational studies have not been planned. He hoped that less expensive methods of accumulating data would allow more work in this area.

One interesting aspect of the meeting was the discussion of the male/female lung cancer ratio in Finland (15/1). Dr. Hakama produced graphs (copies attached) which charted the lung cancer rates of both males and females in the Nordic countries (Denmark, Sweden, Finland, Norway and Iceland) from approximately 1950 through 1970. The data involving the Finnish females was "puzzling" according to Dr. Hakama considering the fact that women had been smoking more in the last twenty years. While offering no explanation for the male/female ratio, Dr. Hakama did mention the belief of some that "pure consumption" may explain why male lung cancer rates are greater in Finland than the other Nordic countries. (Finland was reported to have had a longer history of tobacco use than any of the other Scandinavian countries.)

Dr. Hakama was very open in his remarks about the smoking and health issue and said many claims against tobacco are not supported by the data. He pointed out that the large discrepancy between male and female lung cancer rates in Finland and the increase of lung cancer in Finland for males are inconsistent with the smoking-disease theory. He seemed pleased to receive the Mancuso and Sterling study on migrant workers and asked that we forward any other information which might be of interest.

June 18, 1975 - Germany

We met with Philip Morris-Germany executives, J. Koster (soon to be leaving the employ of PM) and W. Becker, and the Philip Morris-Germany lawyer, Dr. W. Deuchler in Hamburg. We were told that Reemtsma is presently threatening to withdraw from the advertising code of the Verband. A meeting of industry executives was to take place on Friday, June 20 in Hamburg. Mr. Koster explained that the new Reemstma president (who has a non-tobacco background) is not overly concerned with industry problems and views the operation of his company only on the basis of profit and loss. Also, it was reported that Reemstma, which traditionally has had a large share of the market, has little to gain from continued industry cooperation.

Later in the day, we met with Drs. Schenzer, Konig and Bruckner of the German Verband. The organization appears well informed on current smoking and health issues although they do have a tendency to approach their problems as peculiar to Germany and not solvable by methods utilized in other contries.

We were informed that cardiovascular disease is replacing lung cancer as the top health issue in Germany. A recent television program described smoking as "the most important single risk factor" in cardiovascular disease causation. Dr. Konig emphasized that the anti-smoking movement is gaining strength in Germany especially after the enlistment of non-smokers. Additionally, the contacts of the Verband with the Health Ministry are diminishing because of the influx of anti-smoking crusaders in that agency. Dr. Konig told us that the "crusaders" are presently searching for a positive way to describe non-smokers.

They feel that it is ineffective to describe non-smokers in a negative way and that their majority should be reflected by a positive expression like "pure breathers."

Possible restrictions upon advertising and labeling under the new food law were also discussed. The Ministry of Health now has the "power" to enact ordinances which would: (1) disclose the "tar" and nicotine content on packets and possibly advertising; and (2) require warnings to be placed on digarette packets. Regarding the latter, Dr. Konig believes that a warning will be imposed shortly. The feeling of the German government is that the health warnings of other countries such as U.K. and U.S. have been too weakly worded and therefore unsuccessful.

While discussing the possibility of a health warning, Dr. Schenzer stated that if the industry were to voluntarily agree to place "tar" and nicotine numbers on the packets, it might be able to avoid the imposition of a health warning. Dr. Konig added that such a voluntary agreement might satisfy some of the legislators because the industry would be making a good faith effort to provide "information to the people." In addition, the industry would presumably be in a better position to oppose a strong warning later if it voluntarily gave "tar" and nicotine information to the public.

The possibility of Reemtsma leaving the advertising code of the Verband was the final topic discussed. We were told that such an action by Reemtsma would cause a "blow up" of the Verband because Reemtsma is the only brand in Germany which is not owned by a multi-national organization. Dr. Konig commented that the Ministry of Health would be "over-joyed" to see Reemtsma leave the advertising code. This would enable the Minister of Health to take the position that the industry is unable to cooperate by voluntary agreement and that the only way to produce effective smoking regulation is to enact ordinances. In the words of Dr. Konig, a decision by Reemtsma "to leave the industry code for advertising reasons would make new ordinances by the government against tobacco a first political priority."

We also learned that the Tobacco Research Institute will be disbanded. Dr. Dontenwill reportedly has a lifetime contract with the Verband but his situation was not discussed. There was also no elaboration as to the future of the other scientists associated with the Institute.

June 19, 1975 - Sweden

We met with Mr. O. Stallberg and S. Odman at the new Philip Morris Sweden offices in Stockholm. Mr. Stallberg explained that there have been two recent developments in the smoking and health situation in Sweden. The first was a study by two psychologists that measured the effects of cigarette advertising on people. Among other things, the study identified certain people who, because of personal maladjustment, are extremely susceptible to cigarette advertising and need governmental protection. Additionally, a key finding was that the visual display of the ads was less important than the copy.

The second development came either during or after the psychological study when a group from Parliament urged the government to take specific steps with respect to the smoking and health problem. As a result, Dr. Sturkell, a judge and non-smoker, was appointed to examine various forms of an advertising ban and the imposition of warning labels on eigerette packages. The investigation is being supported by the government and Dr. Sturkell is scheduled to report to the legislature in July. (Moteworthy is the fact that Dr. Sturkell attended the Third World Conference on Smoking and Health and was chairman of a section entitled "Special Approaches to the Control of Smoking.")

We briefly reviewed the agreement which has been reached with the consumer ombudsman. Mr. Stallberg commented that the consumer ombudsman is not in favor of a total advertising ban. Apparently, he believes that it is possible to control present advertising and prefers this approach rather than attempting to police anticipated new attempts by the industry to advertise their products. We were told that the Minister of Health and Social Affairs is the only man in the government who is presently in favor of an advertising ban. Other members of the government take a more realisitic approach and acknowledge the loss of revenues for the state if cigarette sales decrease. Despite this latter feeling, Mr. Stallberg remarked that "we will get a warning label because so many other nations have one." It was our understanding that the results of the Sturkell investigation would set the stage for future restrictive actions in Sweden.

Our next meeting was with Mr. Lasse Hjern from the Swedish Tobacco Company. Mr. Hjern had delivered a paper at the Third World Conference on Smoking and Health concerning the reduction of "tar" and nicotine levels in Sweden during the last two decades. He expressed disappointment that the conference had been overshadowed by "religious" efforts to encourage the total ban of tobacco. In addition, he thought the Godber recommendations posed serious problems in that they assumed without reservation the smoking-disease hypothesis.

The idea of a world-wide clearinghouse to flight the present anti-smoking movement was suggested by Mr. Hjern. In this regard, he thinks that the U.S. industry would be difficult to work with because it has "not admitted that smoking causes any disease." The tobacco industry in most nations has acquiesced at least to the point where it defers the medical issues to the scientists. Although this results in an abandonment of the first line defenses, it is felt that this gives the industry more credibility in dealing with its problems. Don Hoel pointed out the problems with this type of approach. He explained the situation in regard to products liability. Further, the industry should not give the impression that "all scientists agree" on the relationship of smoking to disease.

Mr. Hjern regretted that the small size of his company prevented it from keeping abreast of new developments in the smoking and health area. Fe appreciated the intention of the PMF Executive Report to provide this kind of information on a regular basis.

We were also told that there are flew, if any, doctors in Sweden who will stand up and oppose the antismoking fanatics. One of the few positive appearances was the recent speech of Dr. Ulf Von Fuler who spoke at a meeting of the Swedish Tobacco Association. Interestingly, Dr. Wakeham of Philip Morris asked Mr. Hjern if Dr. Von Fuler would be willing to visit the United States to discuss his smoking and health views. Dr. Von Fuler expressed interest in the invitation but could not come to the United States before this fall. (Despite newspaper accounts which have described a Dr. Ulf Von Euler as a Nobel Prize Winner, our information from World Who's Who in Science is that Dr. Von Euler is the son of a famous Nobel Prize recipient.)

We also discussed the recent mortality study published by Drs. Friberg and Cederlof. Mr. Hjern explained that Drs. Friberg and Cederlof had not been involved in the methodology of the study but had only been engaged when problems arose with the analysis of the data. Apparently, Dr. Friberg thinks that a follow-up analysis of the data should be performed in five years and this suggestion is currently being studied. Concerning the mortality study, Mr. Hjern informed us that Dr. Friberg had called him recently. They had discussed some of the findings of the study such as those involving cigar and pipe smoking. The increased incidence of cancer of the cervix among smoking women was also mentioned. One hypothesis is that women who do not smoke are generally more careful in their overall health habits. Another theory is that early promiscuity is associated with cervical cancer and may also be related to the smoking habit. Dr. Friberg had no explanation of the increased incidence of pancreatic cancer in the study. Finally, Mr. Hjern told us that the Swedish Tobacco Company had enlisted a medical journalist to review all of the Swedish research projects and summarize the results. It is hoped that the review will be valuable both to the scientific community as well as to the general public.

Later in the day, we visited the offices of the attorney for Philip Morris-Sweden. Although Dr. Osvald was not present, we met with Dr. Lundberg of the same office. He described the new agreement with the consumer ombudsman as being "very broad" and having wide proscriptions. Nonetheless, Dr. Lundberg felt that the manufacturers had no choice other than to accept the agreement. As Dr. Lundberg explained, the only way "to avoid the advertising prohibition is to make reference to this type of voluntary agreement." In a similar vein, Dr. Lundberg was very pessimistic about the possibility of avoiding a warning label in Sweden. He viewed the warning as a natural progression of government involvement in smoking and health. Mr. Lundberg expressed concern over the failure to provide the people and the scientific community with information which views the smoking and health question objectively. He believes that an attempt should be made to present information through an "outlet" that escapes the present discreditation attached to positive smoking news. Paul Isenring asked Mr. Lundberg to review the PME Executive Report and send comments concerning the same.

That evening we had dinner with Dr. Lars Friberg. He brought with him some new data on the differences between smokers and non-smokers. Dr. Friberg was very enthusiastic about the data and felt that it was convincing proof there is a difference in the personality and lifestyle of smokers as compared to non-smokers. He hopes to publish this new data very soon in some international journal. Dr. Friberg noted that the study involved large numbers of people and, as a result, would not be subject to the criticism which has attended the twin studies. In fact, he suggested that a number of well-known scientists be asked to attend a meeting where this new data could be discussed with him. Dr. Friberg intimated that an industry sponsorship of such a meeting would be particularly effective.

June 23, 1975 - Austria

In Vienna, we met with Dr. Lothar Kloimstein, General Director, Stelly. der Austria Tabakwerke Ag. Dr. Kloimstein has carried on an active campaign against the anti-smoking forces. He produced scrapbooks containing numerous newspaper clippings reporting his efforts in addition to other positive accounts of the smoking and health issue. Dr. Kloimstein has appeared before groups of scientists and defended his views on tobacco. Although he characterized his efforts as "amateurish," Dr. Kloimstein appeared to be proud of the publicity describing his activities. This rather extensive news coverage in regard to the smoking and health controversy seems to be unknown outside of Austria.

Many attempts by the anti-smoking groups in Austria to place restrictions on tobacco products have been unsuccessful according to Dr. Kloimstein. For example, Dr. Kloimstein convinced the Minister of Finance that the word "tar" was not a "true expression" and therefore would not be correctly used in reference to cigarettes. Apparently, this maneuver has stalled the effort to place "tar" and nicotine concentrations on cigarette packages and advertisements. Also, unfavorable publicity from television has been prevented by using the other media as a defensive mechanism.

The most recent plan of the monopoly to circulate information to the public is a pamphlet describing the issue of smoking and health. Dr. Kloimstein offered to send a draft

of this six to eight page pamphlet to Paul Isenring who would transmit the draft to our office for suggestions. We understood that this process would precede any distribution of the pamphlet to the public. Dr. Kloimstein added one final stratagem to the activities of the monopoly. We were told that it intends to diversify the products in its tobacco outlets to include coffee and cosmetics. These products would bear the same names as the popular cigarette brands to provide what Dr. Kloimstein called an "insurance policy" against the possibility that cigarette advertising will some day be prohibited.

Later that afternoon, we visited the offices of Dr. E. Zeiner who is the Philip Morris lawyer in Vienna. His son, who is a lawyer with experience in a large New York City firm, also attended the meeting. The question of the media in Austria was mentioned and the older Dr. Zeiner commented that "publicity is only a question of money." We were told that strict regulations on tobacco will probably be imposed in the next few years. These restrictions could take the form of warning labels and the listing of smoke constituents. Paul Isenring gave a copy of the PMR Executive Report to Dr. Zeiner for his interest and comment. Both gentlemen agreed to evaluate the products liability situation in Austria and acquaint themselves with the proposed and final regulations of other countries in order to be prepared for the developments in Austria.

June 24, 1975 - Switzerland

In the afternoon, we met with Dr. Rudolf Farner whose advertising agency represents Philip Morris and some other cigarette manufacturers in Switzerland. The main topic of discussion with Dr. Farner was his independent, personal effort to spearhead opposition to the proposed government programs which would prohibit the advertising of cigarettes. He views such proposed restrictions as the beginning of a movement to ban advertising in general and is deeply committed to fighting the movement on the initial level. Dr. Farner has not received the operational or financial assistance of the Swiss Cigarette Manufacturers Association. He believes that the Association does not understand the problems which will ulltimately flace their industry. According to Dr. Farner, the Association has informed him that they will oppose the present legislation in their own way and through their established contacts in the Ministry of Health.

We were told that the tobacco proposal of the Health Department is an amalgamation of all the suggestions received from groups interested in the smoking and health problem. The proposal will take the form of an ordinance or "edict" and will not need the approval of Parliament. Dr. Farner intends to argue that the area of tobacco advertising is too important to be governed by an edict or ordinance and should be regulated by federal law or constitutional amendment. In that the new proposal is believed to be an attempt to circumvent the ratification requirement of federal laws and constitutional amendments, Dr. Farner is hopeful that this jurisdictional argument will be well received.

Our meeting concluded by Dr. Farner describing his work on behalf of the advertising industry as a "hobby." He suggested that when a request is made of his organization to submit written materials explaining their position, he would send the structure of the proposed submission to Paul Isenring. The implication was that suggestions and comments on the group's submission would be appreciated.

June 25, 1975 - Belgium

We met with Paul Cattelain, Dr. R. Dejonghe (expected to replace Cattelain in a few years), and Mr. L. Welle at the Fedetab offices in Brussels. Mr. Cattelain reported that his organization is currently working on ways to answer the claims of the anti-smoking groups as well as striving for good communication with their press and political contacts. A key to the political success of Fedetab, according to Mr. Cattelain, will depend on the contacts with the present Minister of Health. While the Minister is a smoker and is "approachable," he is considered to be "very dangerous" because of his political ambitions. Mr. Cattelain commented that information like that contained in the PME Executive Report would be effective in his dealings with the Health Ministry.

Don Hoel proceeded to describe the recent developments of the Third World Conference on Smoking and Health and the current world-wide movement to oppose tobacco. Mr. Cattelain inquired as to the advisability of arranging another meeting of the European Tobacco Associations to discuss the anti-smoking movement. It was repeatedly emphasized by Mr. Cattelain that if such a meeting takes

place, it must be highly organized even to the point of drafting conclusions and recommendations in advance. In this regard, he would welcome all the help that we could provide in preparation for the meeting. Mr. Cattelain stressed the need for a "political attitude of the industry" throughout the world. This cannot be accomplished by negotiations between individual governments and industry but only through the organized efforts of the entire industry.

Our second meeting of the day was with Dr. E. Heynig, who is a new consultant for Philip Morris-Europe on common market matters. Based on his vast experience as Director-General of Social Affairs for the EEC, Dr. Heynig appears to be invaluable as a consultant and source of information.

We were told that the consumer protection activity of the EEC had changed since the report Dr. Heynig made to Philip Morris. At least one member of the committee staff is now considering a proposal which would cover tobacco advertising. Jurisdiction rests on the charge of the committee to investigate "misleading advertising in the common market countries." Dr. Heynig explained three reasons why tobacco advertising is being considered:

(1) Cigarettes, in general, are an easy target for consumer protection bodies; (2) EEC action could serve as a "psychological ploy" by the anti-smoking forces to pressure individual countries into implementing their own restrictions; and (3) A recent EEC report studying general consumer advertising effects in U.K. and Germany found that cigarette advertising was extremely convincing and effective.

It was also Dr. Heynig's opinion that the European Consumer Protection Committee is still somewhat "hazy" in terms of its powers. The biggest problem appears to be that consumer protection, as such, is not governed by a specific rule in the treaty between nations. Dr. Heynig feels that the first objection which will be raised if the committee produces a products liability program is the legal jurisdiction to even consider the problem. Presumably, the Council of Ministers would be the group to contest the jurisdiction of a "directive" from the Commission. Dr. Heynig promised to communicate with his "contact" in the EEC concerning further developments of the tobacco proposal. For the present time, it is estimated that October of 1975 is the earliest date that a proposal could take final form.

Later in the afternoon, we went to the offices of Weltab for a meeting with Dr. Frederick Endman, Philip Morris lawyer in Belgium. He described the health warning which is to be required on all the cigarette packages in three languages. Dr. Erdman viewed the warning as an accomplishment in that government proposals have been numerous and the warning only says that "smoking may be bad for your health." He predicted that the warning will not affect consumption because the claimed hazards of smoking are well-known to the populace. The only factor which could affect cigarette consumption in Belgium would be an increase in the taxes on cigarettes.

We discussed briefly the possible EEC involvement in the consumer protection area. Dr. Erdman believes that the Belgium government would accept an EEC proscription in the area of consumer protection despite the fact that the consumer movement is relatively young in Belgium. In Dr. Erdman's view, other considerations such as the existence of state owned tobacco monopolies in EEC member states make an anti-tobacco proscription highly unlikely.

The prospects of a media advertising ban was also discussed. Dr. Erdman noted that the government may even attempt to soften the economic impact of such an action by subsidizing daily newspapers for their loss of revenues from cigarette advertising. Concerning the PME Executive Report given to him by Paul Isenring, Dr. Erdman speculated that such a publication would probably be viewed unfavorably by the Belgian press.

June 26, 1975 - U.K.

We met with Owen Smith and Michael Mockridge, Philip Morris lawyer, to discuss the Philip Morris submission to the Royal Commission on Civil Liability. It was decided that Philip Morris should draft its own response to the compensation fund proposal of ASH rather than subscribe to individual sections of the paper submitted by Imperial. Final corrections of the submission were made and it was decided that Michael Mockridge would send it to the Royal Commission on July 1, 1975.

If any other companies should wish to join in the submission, they could file an "appendix" noting agreement with the Philip Morris document. Michael Mockridge also reported that the final meeting of the Royal Commission is scheduled for July 16 & 17, 1975.

June 27, 1975 - Illustra Film

We met with the people from Illustra Films at their offices. Attending the meeting were Barry Palin of Illustra, Paul Redfern (scientific consultant), Don Higgins (film director) and a member of the Phillip Morris Europe staff who regularly works with film and other media projects.

With the assistance of Paul Redfern, Don Higgins had prepared an outline of the proposed 30 minute film.

- Section A -- Establishment of a controversy would be high
 (4-5 min) lighted by the anomalies in statistics. An attempt would be made to involve the viewer. Technique would be mostly headlines, etc., with voice over to allow later "dubbing" into various languages.
- Section B -- The failure of "authorities" to influence the (4-5 min) smoking habits of people would be examined.

 Historical reference would be made to the prohibitions of alcohol and caffeine.
- Section C -- Examine the reasons people smoke. Benefits described by the smokers. Included in this section would be interviews with scientists actually doing research on the reasons why people smoke (stress situations, etc.).
- Section D -- This section will center on the case of the (7-8 min) prosecution. The well-known studies and the research which have formed the basis of the anti-smoking campaign would be discussed. An objective review would indicate that the case is not closed. Some interviews are planned.
- Section E -- Brief references would be made to the type of motives and mistreatment involved with the smoking and health issue in the media. It will be suggested that these past approaches to the problem have been overweighted and slanted.
- Section F -- This section recalls the errors in judgment of authorities and medical people over the years regarding the healthful and harmful effects of products. A final plea would be made for objective conclusions and approaches.

Don Higgins and Paul Redfern promised to send a more complete draft outline of the film to Paul Isenring. A pre-script outline in much greater detail would probably take six to eight weeks. Based upon this timetable, shooting could begin as early as late September or early October. The comments of the group indicated that shooting would not be expected to take longer than a month if the interviews with scientists could be successfully arranged.



